

File in Dkt No
E-01345A-05-0816

ORIGINAL



0000039772

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

4700

Investigator: Carmen Madrid

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2005 - 48865

Date: 12/15/2005

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By: **Martin**

Corbett

Account Name: Martin Corbett

Home: (000) 000-0000

Street: [REDACTED]

Work: (000) 000-0000

City: [REDACTED]

CBR:

State: AZ Zip: [REDACTED]

is:

Utility Company: **Arizona Public Service Company**

Division: Electric

Contact Name: Carolyn Moore

Contact Phone: (602) 250-2162

Nature of Complaint:

The following correspondence was received from Lace Collins in the ACC Commissioners Wing. This correspondence was sent to the ACC by the Arizona State Senate President Ken Bennett:

11/16/05

Ken Bennett
District 1
President of the Senate
Arizona State Senate

Dear Ken Bennett

APS is asking for a 20% increase for energy costs. Why?

There is no reason for this. The cost of energy is going down (barrell of crude oil, natural gas) There is no shortage. There is no reason for this at all.

Ken get on the Energy Commission's ass and make them refuse this increase.

I am against this increase and I don't like what they are trying to do.

Sincerely,
Marty Corbett
End of Complaint

Utilities' Response:

12/21/05

Hi Carmen,

I attempted to call Martin Corbett at his phone number listed on his account. A man answered and then hung

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up. We will keep his letter on file in our records.

Please let me know if you have any questions.

Thanks,
Carolyn
End of Response

Investigator's Comments and Disposition:

12/15/05 Opinion noted and filed in Docket No. E-01345A-05-0816.

12/20/05 e-mailed opinion to APS

12/21/05 Received a response from APS. Closed

End of Comments

Date Completed: 12/15/2005

Opinion No. 2005 - 48865

file in E-01345A-05-0816

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Investigator: Reg Lopez

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion

No. 2006 - 49279

Date: 1/17/2006

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By:

Cheryl

Groat

Account Name:

Cheryl Groat

Home: [REDACTED]

Street:

0000000

Work: [REDACTED]

City:

0000000

CBR: [REDACTED]

State:

AZ Zip: 00000

is: [REDACTED]

Utility Company:

Arizona Public Service Company

Division:

Contact Name:

[REDACTED]

Contact Phone:

[REDACTED]

Nature of Complaint:

Received following e-mail dated 1-13-06:

From: Cheryl Groat [REDACTED]
Sent: Friday, January 13, 2006 8:54 AM
To: Utilities Div - Mailbox
Subject: APS Rate Increase Request

I was horrified to see on the news last night that APS is requesting a 14% rate increase in addition to the 20% rate increase they just asked for. Rates were just increased 4% not quite a year ago. Is this constant request for rate increases something that I am to expect as an APS customer? At what point will the constant requests for rate increases stop and when will APS be forced to change the way they operate to avoid such increases in the future? A request for not one, but three, rate increases in one year is outlandish!

I am appalled at the amount they'd like to increase our rates for many reasons. What have they done to decrease their operating expenses? What types of bonus and salaries do their employees and executives receive? What types of employee redundancies do they have that could be eliminated? Why, if they need to increase rates to customers 34%, do they sponsor the APS Electric Light Parade and have an expensive float in the Fiesta Bowl Parade (in addition to donating the golf carts used during the Fiesta Bowl Parade)? Why are they sending customers special mailings with a letter to justify their asking for a 34% rate increase instead of saving money on postage and envelopes and including that letter with our bills or sending an email? What types of unnecessary office purchases are they making each year? What has APS done to be more fiscally responsible so that a rate increase of 34% can be avoided? As a customer, I have seen nothing done by APS to reduce the need to ask for such an enormous rate increase.

I'd also like to know why they have such a heavy advertising budget. I've seen ads for APS on television, on billboards, in magazines and have even heard them on the radio. Advertising is used to gain customers, entice someone into using your product, or to confirm to existing customers that they made the right choice by choosing your product. Since we have no choice in what company, APS or SRP, provides our electric service, advertising

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seems to be quite unnecessary, and in light of a 34% rate increase, downright ridiculous.

We have lived in our home for 2 years, and we will never purchase another home in an APS neighborhood. Their levels of customer service are horrible, and the constant asking for rate increases makes me fear that I will no longer be able to keep my home at a comfortable temperature for my family. We had a digital thermostat installed in our home, purchased extra insulation, have ceiling fans in all of the rooms, installed sun screens on all the windows and don't set the thermostat below 80 during the warm months. We are currently on the "equalizer" plan and pay \$175 a month (year round). If the 34% rate increase were to be approved, our monthly payment would shoot up to \$234.50, which is a difference of \$59.50 monthly or \$714 annually! We would no longer be able to keep our thermostat set at 80 degrees - we would have to keep it at a warmer temperature, we'd have to take money out of our food budget to be able to pay higher electric bills, or we would simply have to sell our home and purchase a home in a SRP neighborhood. How many low income or elderly people will perish this summer because they didn't turn on their A/C for fear of outrageous electric bills?

Hold APS responsible for their budget - make them make drastic changes to the way they operate before allowing them to request huge rate increases for customers. Make them sit down and figure out what they need before coming to the table and making a request, only then to turn around and make another and another. Or better yet, give customers in Arizona the ability to choose what company they want to provide their power. This APS customer would certainly run to SRP. But certainly don't allow them to increase rates to customers by 34% - we simply cannot afford it. We have a right to quality, affordable electricity.

Cheryl Groat
[REDACTED]

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

1-17-06 I replied back to the customer with the following e-mail: Dear Ms. Groat: Thank you for taking the time to express your opinion in this important matter. Your opinion will be entered for the record in this rate case filing.

1-17 I e-mailed the Opinion information to John LaPorta, Phx-Cons to have this docketed. File closed.

End of Comments

Date Completed: 1/17/2006

Opinion No. 2006 - 49279

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Investigator: Reg Lopez

Phone: [REDACTED] 5

Fax: ([REDACTED])

Priority: Respond Within Five Days

Opinion No. 2006 - 49315

Date: 1/18/2006

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By: **Monica**

Provine

Account Name: Monica Provine

Home: ([REDACTED])

Street: [REDACTED]

Work: (000) 000-0000

City: Buckeye

CBR: [REDACTED]

State: AZ Zip: 85326

is: ([REDACTED])

Utility Company: **Arizona Public Service Company**

Division:

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

Received the following e-mail on 1-17-06

From: [REDACTED]

Sent: Friday, January 13, 2006 11:43 AM

To: AZ. [REDACTED]

Subject: APS Price Increases

To whom this may concern:

We are new residents to the beautiful state of Arizona. We relocated here from Southern California to be able to afford our children a better quality of life. We were thrilled to get away from Southern California Edison's oppressive electrical fees and much to our dismay, discovered our gorgeous new home was in APS' district and the fees were little better than those we suffered with Edison. And now the situation has worsened with their request for a fee hike. We currently are in an all-electric home with energy efficiency advancements and appliances and are on the level-pay plan which costs us \$266/month. Under the proposed fee increase, our family of 4 will now be paying \$319 for energy - just \$50 per month less than those we paid through Edison who were party to mismanagement and scandalous charges.

As the governing body of utilities in the state of Arizona, I would like to propose the following questions to you. At the most, please respond to each question and at the least, please ask yourselves and APS the following:

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Why is it that SRP manages to charge lower energy prices? APS is a larger corporation which should enable them to purchase their energy at a significant discount, yet we customers pay hundreds of dollars more than SRP customers who also live in the West Valley (like-sized families in like-sized homes in same climate zones). APS claims they NEED the money and yet they run television commercials - Why? As a former PR and Marketing Associate for Pulte Homes in Southern California, I know the cost of production of a television commercial. Set crew, actors, lighting crew, sound crew, film crew, film editors, editing room - all cost money. All the afore mentioned must also be insured. Then there's the cost of airtime. All of this to what end? Our electrical utility companies are pre-determined. We have NO CHOICE in electrical providers. It's not as though APS hopes to garner new customers from all of this wasted expense. I can only imagine this is to make us feel warm and fuzzy about our electrical provider. I speak for thousands of APS customers when I say that what would make us feel warmer and fuzzier is if they were to channel this wasted money back into their electricity production costs and reduce our fees.

I strongly urge you not to follow the course of action taken by the California Utilities Commission when they approved Edison's rate hike without examining the companies' spending policies! In the PR business, it was my responsibility to schedule corporate teambuilding events. I cannot count the number of times we toured prospective venues only to be told that Edison had been there the day/week/month before and had spent hundreds of thousands of dollars on their events - events to booster employee morale while financially crippling their clients. We would also regularly receive full-color brochures in the mail courtesy of Edison. I know how much full-color reproduction costs, in addition to which you can add the cost of graphic designers, paper, mailing and labor to accomplish such a feat. Please do not blindly accept APS' claim that they are struggling, but dig and dig deeply for the answer to the question WHERE IS APS' MONEY GOING? A bank would not loan money to a corporation without careful examination of their books. Please consider us customers who are forced to use APS as the bank and spend our money conservatively and wisely!

Thank you for your time and careful consideration of this matter,

Monica Provine - unemployed stay-at-home mother to twins trying to make ends meet on a single income

[REDACTED]
Buckeye, AZ 85326

[REDACTED]
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

I replied back to the customer with the following e-mail. Please note that the questions posed in the customer's e-mail were replied on Inquiry 2006-49316 and the reply to this Opinion mirrors the same.

Dear Ms. Provine: Thank you for taking the time to express your opinion in this matter. Your comments have been noted for the record in this matter. In answer to your first question, the Arizona Corporation Commission ("Commission") does not have regulatory jurisdiction over SRP pursuant to the Federal Proclamation Act of 1902. In view of this, the Commission has no control over their rate structure. In reply to your second question, APS advertising is either paid through the rate payers or stockholders. If the advertising relates to services APS

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is required to provide by a Commission directive such as Demand Side Management, energy support, safety and low income assistance, then that is paid through the rate payers. If the advertising entails anything not required by the Commission, that those cost would be absorbed by APES shareholders. I hope that this answers your questions.

1-18 I e-mailed John La Porta & provided OPINION # so he could proceed to have it docketed. File closed.

End of Comments

Date Completed: 1/18/2006

Opinion No. 2006 - 49315
